



LEADING EDGE MATERIALS CORP.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED JULY 31, 2026**

This Management's Discussion and Analysis ("Interim MD&A") of Leading Edge Materials Corp. ("Leading Edge Materials" or the "Company"), dated September 18, 2026, should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended July 31, 2026, and the most recent annual audited consolidated financial statements and annual Management's Discussion and Analysis. The following disclosure and associated financial statements are presented in accordance with IFRS Accounting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and on the Company's website www.leadingedgematerials.com.

Forward Looking Statements

Certain information in this MD&A may constitute forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws (collectively, "Forward-Looking Statements"). All statements, other than statements of historical fact, addressing activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are Forward-Looking Statements. Forward-Looking Statements are often, but not always, identified by the use of words such as "seek," "anticipate," "believe," "plan," "estimate," "expect," and "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. Forward-Looking Statements are based upon the opinions and expectations of the Company based on information currently available to the Company. Forward-Looking Statements are subject to a number of factors, risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the Forward-Looking Statements including, among other things, the Company has yet to generate a profit from its activities; there can be no guarantee that the estimates of quantities or qualities of minerals disclosed in the Company's public record will be economically recoverable; uncertainties relating to the availability and costs of financing needed in the future; competition with other companies within the mining industry; the success of the Company is largely dependent upon the performance of its directors and officers and the Company's ability to attract and train key personnel; changes in world metal markets and equity markets beyond the Company's control; the possibility of write-downs and impairments; the risks associated with uninsurable risks arising during the course of exploration; development and production; the risks associated with changes in the mining regulatory regime governing the Company; the risks associated with tenure to the Norra Kärr property; the risks associated with the various environmental regulations the Company is subject to; rehabilitation and restitution costs; the Woxna project has never defined a mineral reserve or a feasibility study and the associated increased risk of technical and economic failure in case of restarting production.

Forward-looking statements relate, among other things, to statements regarding the future plans and objectives of Leading Edge Materials Corp., the feasibility study results, in-situ value, resource exploration and expansion results, future prospects of the Bihor Sud exploration permit or surrounding property, estimate of future metal prices, anticipated future revenue streams, and financing activities. It involves various risks assumptions, estimates and uncertainties that are based on current expectations and actual results may differ materially from those contained in such information. These risks, assumptions, estimates and uncertainties could adversely affect the outcome and financial effects of the plans and events described herein.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the Forward-Looking Statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such Forward-Looking

Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such Forward-Looking Statements. Such Forward-Looking Statements has been provided for the purpose of assisting investors in understanding the Company's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on Forward-Looking Statements. Forward-Looking Statements are made as of the date hereof, and the Company does not undertake to update such Forward-Looking Statements except in accordance with applicable securities laws.

Corporate Overview

The Company was incorporated on October 27, 2010, under the *Business Corporations Act* (British Columbia) as Tasex Capital Limited. The Company's common shares began trading on the TSX Venture Exchange (the "TSXV") as a capital pool company on June 10, 2011. On February 22, 2012, the Company completed the acquisition of the Woxna Project and changed its name to Flinders Resources Limited. On August 25, 2016, the Company completed the acquisition of Tasman Metals Ltd. ("Tasman") and changed its name to Leading Edge Materials Corp. The Company's common shares trade on the TSXV as a Tier 1 mining issuer under the symbol "LEM", on the OTCQB under the symbol "LEMIF", on Nasdaq First North Stockholm under the symbol "LEMSE" and on Frankfurt under the symbol "7FL". The Company's principal office is located at 14th Floor, 1040 West Georgia Street. Vancouver, British Columbia V6E 4H1.

The Company's strategy is focused on developing critical raw material assets across the European Union, primarily its wholly owned Norra Kärr Heavy Rare Earth Element project in Sweden - one of the world's most strategically significant heavy rare earth deposits and among the few advanced-stage projects within the EU capable of producing dysprosium, terbium, and yttrium at meaningful scale.

Situated in one of the world's most politically and regulatory stable mining environments, Norra Kärr is well-positioned to contribute directly to the objectives of the EU's Critical Raw Materials Act, including the bloc's target of sourcing 10% of its critical raw material consumption domestically by 2030. Beyond rare earths, the Company also owns the Woxna Graphite mine in Sweden - a fully constructed and permitted facility - and has a majority interest in the Bihor Sud Nickel-Cobalt exploration alliance in Romania.

On May 26, 2026, the Company announced it had agreed to increase its stake in the Bihor Sud Exploration Licence joint venture to 90%, following an amendment to the shareholders joint venture agreement ("JVA") originally entered into with REMAT Group Management SRL ("REMAT") on August 9, 2018. The amended shareholders JVA recognises the Company's significant investment in the licence over the past eight years.

As at the date of this MD&A the Board of Directors and Officers of the Company are:

Kurt Budge	- CEO
Eric Krafft	- Director
Manuela Balaj-Coroiu	- Corporate Secretary
Sanjay Swarup	- CFO
Lars-Eric Johansson	- Director and Non-Executive Chairman
Daniel Major	- Director

Svensk Kapitalmarknadsgranskning ("SKMG") is the Company's Certified Adviser for the Nasdaq First North Growth Market (Stockholm).

Highlights During and After the Quarter

During the three months ended July 31, 2026:

- On May 26, 2026, the Company announced it had agreed to increase its stake in the Bihor Sud Exploration Licence joint venture to 90%, following an amendment to the shareholders joint venture agreement ("JVA") originally entered into with REMAT Group Management SRL ("REMAT") on August 9, 2018.
- On June 9, 2026, the Company announced testwork results on ore sourced from the Woxna Graphite Mine ("Woxna"). The programme was designed to evaluate new processing techniques aimed at producing large-flake, high-purity flake graphite concentrate suitable for premium industrial and battery applications. The testwork, using a simple, industrially practical two-stage alkaline process (without an energy-intensive pre-heating step), achieved 99.96% LOI (loss on ignition) – suggesting a preferred route for commercial scale-up to meet high-end industrial specifications.
- On June 28, 2026, the Company announced that its wholly-owned Swedish subsidiary, GREENNA Mineral AB ("GMAB"), has been granted an Exploitation Concession - 25-year mining lease - for the Norra Kärr Heavy Rare Earth Elements Project in Sweden.
- On July 12, 2026, the Company announced the intent to complete a non-brokered private placement of 24,000,000 units ("Units") at a price of C\$0.25 per Unit for aggregate gross proceeds of up to C\$6,000,000.00 (the "Private Placement"). The Company's cornerstone shareholder, Mr Eric Krafft, has agreed to subscribe for any Units not otherwise purchased by investors under the private placement.
- On July 20, 2026, the Company provided an update on its midstream processing strategy for eudialyte concentrate from the Norra Kärr – and the path toward pilot-scale hydrometallurgical testing, a key step in demonstrating the process at commercial scale. This builds on the significant flowsheet development work completed over the last 15 years, and new research into silicate management under the Vinnova funded SHLENK project.
- On July 26, 2026, the Company welcomed the Swedish Government's new Mineral Strategy, which places critical raw materials and mining at the centre of Sweden's industrial competitiveness and national security agenda.

After the three months ended July 31, 2026:

- On August 18, 2026, the Company closed a first tranche of the private placement announced previously on July 12, 2026, issuing 16,032,000 common shares at a price of \$0.25/share for gross proceeds of CAD\$4,008,000.
- On September 7, 2026, The Company announced that it would commence a first-pass diamond drilling programme on September 8, 2026 at Woxna. The programme has been designed to test whether the Kringeltjärn, Råttjärnmyren and Svartboberget graphite occurrences represent parts of the same, larger regional graphite-bearing system.

Outlook

The imperative for Europe to secure critical raw materials — to protect both its industrial base and its national security — has never been more urgent. The supply outlook for heavy rare earth elements remains acutely critical: these materials are irreplaceable inputs for permanent magnet manufacturing across defence systems, electric vehicles, and wind turbines. The future shape of global alliances and trade flows remains deeply uncertain. Businesses and governments cannot afford to wait for clarity that may not come. Local supply and shorter supply chains are no longer optional — they are a strategic necessity.

The temporary diplomatic détente between Washington and Beijing continues to provide partial, time-limited

relief, without resolving Europe's underlying vulnerability. China's suspension of its October 2025 wave of rare earth export controls remains in effect through to 10 November 2026 — but this is a tactical pause, not a structural shift. The April 2025 licensing regime covering terbium, dysprosium, yttrium and other critical heavy rare earths was never suspended and remains active. The 10 November 2026 expiry of the Wave 2 suspension is now the next critical decision point, falling shortly after the end of this reporting period, with no public clarity on whether it will be extended.

The EU has policy, frameworks and laudable initiatives — RESourceEU, a critical minerals centre, Strategic Projects under the Critical Raw Materials Act. Yet real action that delivers the required investment across the value chain is absent. Policy and frameworks do not equate to supply. Europe must create new supply options wherever they exist or face the squeeze from China and the US.

The alarm bells were sounded at the G7 finance ministers' summit in Paris in May 2026, with Germany's finance minister Lars Klingbeil warned that Western nations are already deep in a critical minerals dependency they cannot afford to ignore — calling on G7 countries to expand rare earth production amongst other measures.

This is precisely why the Company's Norra Kärr and Woxna Graphite projects occupy such a compelling position — sitting at the convergence of urgent European demand, unprecedented policy support, and a fundamental reorientation in how Western nations assess supply chain risk. The strategic calculus has shifted permanently. This is no longer a commercial question. It is a matter of economic security.

Norra Kärr Heavy Rare Earth Element ("HREE") Project

On 28 June 2026, the Swedish Government granted GREENNA Mineral AB, an Exploitation Concession (Sw. bearbetningskoncession), 25-year mining lease for Norra Kärr K Nr. 2. This followed the March 2026 recommendation of the Mining Inspectorate and the December 2025 endorsements of the County Administrative Boards of Jönköping and Östergötland, and represents a significant permitting milestone in the project's development.

The project's strategic importance to Sweden and the EU was a decisive factor in the Government's decision. Swedish Minister Ebba Busch has spoken of Sweden's REEs as a security asset for Sweden and Europe, and when granting a new 25-year mining lease for Norra Kärr in June this year, stated that "Norra Kärr could meet a large part of Sweden and Europe's supply needs". The Geological Survey of Sweden ("SGU") has confirmed that Norra Kärr is one of Europe's richest rare earth elements ("REE") deposits, with a particularly high proportion of the most valuable heavy rare earth elements, including terbium, dysprosium and yttrium.

With no REE production anywhere in the EU today, the Government concluded that supplying Sweden and Europe with these critical raw materials - essential for permanent magnets in electric motors and the green energy transition - clearly outweighs competing land-use interests.

In the quarter, the Company announced an initiative to advance its midstream processing strategy and collaboration on hydrometallurgical research in support of a future pilot plant with funding from the Swedish Government through Vinnova, the Swedish Innovation agency, as part of a SEK 70+ million (CAD 10 million) national push to secure Sweden's critical raw materials supply.

The heavy rare earth market for dysprosium, terbium, and yttrium remains the tightest segment of rare earths. All three elements have been shaped by restricted Chinese exports, with markets defined by tight supply, policy-driven uncertainty, leaving consumers scrambling since China's April 2025 dual-use export-licensing controls - covering seven medium and heavy rare earths including terbium, dysprosium, and yttrium plus related alloys and magnet materials, imposed in direct response to U.S. tariffs.

On the supply side, China's separation dominance remains essentially unchanged, with Lynas Malaysia* the only non-Chinese producer at confirmed commercial scale, while MP Materials and Energy Fuels in the U.S.

have only reached pilot-to-early-commercial volumes. This concentration is even starker for yttrium: the U.S. relies on imports for 100% of its yttrium supply, historically over 90% sourced from China.

The result is market bifurcation, a widening price gap between China and the rest of the world. European prices for dysprosium and terbium currently run multiples higher than Chinese domestic prices and experts point to yttrium, terbium, and dysprosium as carrying the largest premiums, driven by defence and other high-performance sectors sourcing outside China.

Norra Kärr is Europe's most advanced heavy rare earth elements project, and the grant of the mining lease removes the principal permitting overhang that has impeded commercial and financing discussions. Pre-feasibility and environmental permit planning workstreams are underway, and the Company continues to target production within approximately four years.

The Preliminary Economic Assessment ("PEA") published in 2021 estimated production levels of 248tpa Dysprosium and 36tpa Terbium oxides, over a 26-year mine life ~ 30% of the defined resource which is unconstrained by drilling. These numbers are double those reported by the Lofdal Project in Namibia and comparable with the nameplate capacity figures for Lynas Rare Earths Ltd Malaysian HREO plant.

Source: <https://wcsecure.weblink.com.au/pdf/LYC/03015215.pdf>

The financials for producing mixed rare earth oxides were modelled as part of the Preliminary Economic Assessment ("PEA") in 2021; the Project had a pre-tax NPV10 of over US\$1B. Edison Research ("Edison") has been retained by the Company and its Initiation Note values Norra Kärr at US\$1.8bn on an unrisks NPV10 basis, or US\$0.9bn risk-weighted, yet at the current share price Leading Edge Materials trades at just US\$92 per tonne of contained TREO — against a peer average of US\$562/t.

Source: <https://www.edisongroup.com/research/addressing-the-european-ree-shortage/BM-2909/>

Edison calculates an even greater discount on a dysprosium-equivalent basis, where LEM trades at US\$632/t versus a peer average of US\$5,617/t. Edison attributes this to the market not yet fully reflecting Norra Kärr's 80,000 tonne dysprosium-equivalent resource, its Swedish location within the EU, and its exceptional heavy rare earth profile — a 52% HREO share and 5.7% DyTb content that gives it direct exposure to the most supply-constrained part of the magnet rare earth market.

Source: <https://www.edisongroup.com/research/exceptional-dytb-exposure-at-a-hefty-discount-2/BM-3491/>

As one of the largest HREE deposits globally - and the most advanced in Europe - Norra Kärr has the potential to become a cornerstone supplier for Western magnet producers.

Woxna Graphite Mine

The Woxna Graphite Mine is being maintained on a "production ready" basis while keeping operational holding costs to a minimum. In partnership with an engineering consultant, the Company is updating an internal production restart study undertaken in 2022.

On June 9, 2026, the Company announced testwork results on ore sourced from the mine. The programme was designed to evaluate new processing techniques aimed at producing large-flake, high-purity flake graphite concentrate suitable for premium industrial and battery applications. The testwork, using a simple, industrially practical two-stage alkaline process (without an energy-intensive pre-heating step), achieved 99.96% LOI (loss on ignition) – suggesting a preferred route for commercial scale-up to meet high-end industrial specifications. These results are being used to assess potential improvements to the processing facility that could maximize operational efficiency. The Company's goal is to deliver premium-quality high-grade flake graphite concentrate or value-added products.

Woxna already hosts one of the few fully built and permitted natural flake graphite mines in Europe, centred on the Kringelgruvan open pit and processing plant. Recently, the Company has announced a first-pass diamond drilling programme, which consists of five holes, looks beyond the existing mine, testing the idea that three separate graphite occurrences in the wider Woxna area – Kringeltjärn's eastern extension, Råttjärnamyren (to the north-west) and Svartboberget - are not isolated pockets of mineralisation, but different parts of the same, larger graphite-bearing system.

Structural drivers behind the graphite market remain strong. According to Benchmark Mineral Intelligence, global demand for natural flake graphite is forecast to rise from around 1.3 million tonnes in 2026 to approximately 2.7 million tonnes by 2036, more than doubling within a decade and outpacing demand growth for almost every other major battery raw material other than lithium. China continues to dominate the supply chain, accounting for roughly 70% of global natural graphite mine production, more than 80% of the world's spherical graphite processing capacity, and over 90% of global anode manufacturing capacity.

China's Announcement No. 72 (9 Nov 2025) suspended the graphite dual-use export controls, introduced in December 2024 and affecting the US; the suspension expires on 27 November 2026. The suspension eased near-term trade tensions but has done little to change the underlying, structural reliance on Chinese supply that continues to concern battery makers, automakers and governments across Europe and North America.

Against this backdrop, the European Union has set a target under the Critical Raw Materials Act of sourcing at least 10% of its strategic raw material consumption domestically by 2030. The exploration programme announced today also comes as the Swedish Government's newly published Mineral Strategy places critical raw materials and mining at the centre of the country's industrial and national security policy, reinforcing a supportive backdrop for the resurgence of projects such as Woxna.

Bihor Sud Nickel-Cobalt Exploration Project

In February this year, the Company provided an update on its exploration activities in Romania and latest assay results.

From the 2025 exploration campaign, mapping and sampling data revealed extensive mineralisation, notably in the form uranium oxide associated with jasperoid silicification; polymetallic (copper (Cu), cobalt (Co), nickel (Ni), lead (Pb) and zinc (Zn)) sulphides hosted in silica-carbonate rocks (including uranium occurrences); and crystalline carbonate (limestone) exhibiting disseminated and stockwork-style sulphide mineralisation. Supergene enrichment phases, such as erythrite and annabergite, further characterise the mineralogical diversity of the licence area.

Notably, massive sulphide mineralisation is present at the Valea Leucii, Dibarz, and Avram Iancu prospects, with a possibility that these occurrences are interconnected, forming part of a broader mineral system. Moreover, historical prospecting rock chip data reported evidence of widespread and pervasive uranium, base and precious metal mineralisation.

Although mineralisation has been intercepted with channel sampling, more analysis and further study is required to fully understand its geometry, but it appears open in all directions. From channel sampling, significant intercepts appear to show reasonably wide zones of low-grade mineralisation encompassing higher grade cores, which is extremely encouraging.

The Bihor Sud licence possesses a diverse and lengthy mining history, and despite considerable historical extraction, the potential for a profitable, modern mining operation likely remains, with significant areas of mineralisation observed underground in Valea Leucii, Dibarz and Avram Iancu, and potential across the wider exploration licence.

A Competent Person Report ("CPR") has been completed and management continue to explore alternative financing options to advance project development. The CPR consolidates the substantial work completed to date.

Financial Information

The report for the year ending October 31, 2026, is expected to be published on or about January 22, 2027.

Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company prepared in accordance with IFRS.

	Fiscal 2026			Fiscal 2025				Fiscal 2024
Three Months Ended	July 31, 2026 \$	April 30, 2026 \$	January 31, 2026 \$	October 31, 2025 \$	July 31, 2025 \$	April 30, 2025 \$	January 31, 2025 \$	October 31, 2024 \$
Operations								
Expenses	(798,703)	(1,381,717)	(791,117)	(731,190)	(697,621)	(1,070,402)	(696,037)	(97,209)
Other items	(83,536)	24,119	45,170	(25,684)	86,314	(108,766)	26,821	(222,820)
Comprehensive profit/(loss)	(882,239)	(1,357,598)	(745,947)	(756,874)	(611,307)	(1,179,168)	(669,216)	(320,029)
Basic Profit/(loss) per share	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Diluted profit/(loss) per share	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Financial Position								
Working capital	1,724,001	539,488	804,249	1,880,436	679,695	1,191,514	2,198,641	3,337,686
Total assets	31,338,835	29,852,958	30,082,554	30,468,689	29,503,036	28,361,774	28,480,311	29,343,716
Total non-current liabilities	(5,631,768)	(5,838,263)	(6,088,012)	(6,056,852)	(6,806,650)	(6,009,933)	(5,596,369)	(5,641,854)

Results of Operations

Three Months Ended July 31, 2026, Compared to Three Months Ended April 30, 2026

During the three months ended July 31, 2026 ("Q3 2026") the Company reported a net loss of \$882,239 compared to a reported net loss of \$1,357,598 for the three months ended April 30, 2026 ("Q2 2026"), a decrease in loss of \$475,359 is mainly due to share based compensation of \$285,658 in Q3 2026 (Q2 2026- \$804,590).

Three Months Ended July 31, 2026, Compared to Three months Ended July 31, 2025

During the three months ended July 31, 2026 ("2026 period"), the Company reported a net loss of \$882,239 compared to a net loss of \$611,307 for the three months ended July 31, 2025 ("2025 period"), an increase in loss of \$270,932 is mainly due to share based compensation of \$285,658 (Q3 2025- \$208,322) and professional fees of \$46,632 (Q3 2025- \$10,588).

Specific expenses of note during three months ended July 31, 2026 are as follows:

- (i) incurred \$74,169 (2025 - \$74,099) for directors and officer's compensation.
- (ii) incurred \$41,401 (2025 - \$43,093) for listing and regulatory fees with respect to ongoing fees for the Company's listing of its common shares on the TSXV, Nasdaq First North and OTC exchanges.
- (iii) incurred a total of \$40,945 (2025 - \$44,370) for accounting and audit out of which the Company incurred \$16,255 (2025 - \$14,734) for accounting services along with \$6,112 (2025 - \$11,439) for bookkeeping and accounting services for subsidiary companies provided by other independent accountants;
- (iv) incurred Research, development, and general exploration expenses of \$46,198 (2025 - \$10,526);
- (v) incurred \$71,779 (2025 - \$73,938) in costs for operations;

Interest income is primarily generated from cash held on deposit with the Bank of Montreal. During the three months ended July 31, 2026 the Company reported interest income of \$1,571 compared to \$5,637 during the three months ended July 31, 2025.

During the three months ended July 31, 2026, the Company recorded a foreign exchange loss of \$85,128 due to changes in exchange rates, compared to a gain of \$80,335 during the three months ended July 31, 2025.

Financings

During the nine months ended July 31, 2026, 6,980,000 stock options were exercised for gross proceeds of \$888,000 and 1,250,000 warrants were exercised for gross proceeds of \$250,000.

During the nine months ended July 31, 2026, 7,200,000 stock options were granted at an exercise price of \$0.31.

During the year ended October 31, 2025, 750,000 warrants were exercised for gross proceeds of \$152,500.

On 15th August 2025, the Company has closed the non-brokered private placement, issuing 17,738,500 units (the "Units") at a price of C\$0.16 per Unit for aggregate gross proceeds of C\$2,838,160. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable by the holder to acquire one common share at an exercise price of \$0.32 per share, expiring August 14, 2029.

Financial Condition / Capital Resources

During the three months ended July 31, 2026, the Company recorded a net loss of \$882,239 and, as of July 31, 2026, the Company had an accumulated deficit of \$55,555,007 and working capital of \$1,724,001. The Company is maintaining its Woxna Graphite Mine on a "production-ready" basis to minimize costs. The Company continues to review options for Woxna.

On 12 July 2026, the Company announced a non-brokered private placement of up to 24,000,000 units at C\$0.25 per unit for gross proceeds of up to C\$6,000,000, with the Company's cornerstone shareholder, Eric Krafft, agreeing to subscribe for any units not otherwise taken up. Subsequent to the quarter end, on 18 August 2026 the Company closed the first tranche of this financing, issuing 16,032,000 common shares for gross proceeds of C\$4,008,000.

The Company has received approval from the TSX Venture Exchange to extend the closing of the Private Placement. The Company now expects to close the Private Placement on or before September 25, 2026, subject to the receipt of all required regulatory approvals. The terms of the Private Placement remain unchanged from those previously announced.

In the longer term the recoverability of the carrying value of the Company's long-lived assets is dependent upon the Company's ability to preserve its interest in the underlying mineral property interests, the discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Company to obtain financing to support its ongoing exploration programs and mining operations.

Net proceeds from the recent equity raise are intended to fund Pre-Feasibility Study (PFS) workstreams and environmental permitting at Norra Kärr, studies related to a possible restart of the Woxna Graphite mine and processing plant, and general working capital for next twelve months. However, it will need additional capital to recommence operations at the Woxna Graphite Mine and/or modernize the plant to produce value added production and to fund future development of the Norra Kärr Property. There is no assurance such additional capital will be available to the Company on acceptable terms or at all. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS") appropriate for a going concern. The going concern basis of accounting assumes the Company will continue to realize the value of its assets and discharge its liabilities and other obligations in the ordinary course of business. Should the Company be required to realize the value of its assets in other than the ordinary course of business, the net realizable value of its assets may be materially less than the amounts shown in the consolidated financial statements. These consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that may be necessary should the Company be unable to repay its liabilities and meet its other obligations in the ordinary course of business or continue operations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include estimating the fair values of financial instruments, valuation allowances for deferred income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of all the Company's critical accounting estimates is included in Note 3 to the October 31, 2025 audited annual consolidated financial statements.

Changes in Accounting Policies

There is no change in accounting policy during the year ended October 31, 2025.

A detailed summary of all the Company's material accounting policies and accounting standards and interpretations issued but not yet effective, is included in Note 3 to the October 31, 2025 audited annual consolidated financial statements.

Related Party Transactions and Balances

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's current and former Board of Directors and its executive officers.

(a) During the nine months ended July 31, 2026 and 2025 the following compensation was incurred:

	2026	2025
	\$	\$
Mr. Kurt Budge, CEO	272,021	267,587
Mr. Lars-Eric Johansson, Chairman and director	24,300	24,300
Mr. Eric Krafft, Director	24,300	24,300
Mr. Daniel Major, Director	24,300	24,300
Mr. Sanjay Swarup, CFO	29,073	29,963
Ms. Manuela Balaj-Coroiu, Corporate Secretary	37,800	37,800
	411,794	408,250

Out of the total Directors' and Officers' compensation of \$411,794, CEO's compensation of \$190,415 has been capitalized to Exploration and Evaluation assets.

- (c) In addition, the company incurred share-based compensation for key management personnel as follows:

	2026	2025
	\$	\$
Mr. Eric Krafft	270,045	234,785
Mr. Kurt Budge	425,848	255,159
Mr. Lars-Eric Johansson	271,221	186,505
Mr. Daniel Major	271,221	186,505
Ms. Manuela Balaj-Coroiu	29,552	15,217
Mr. Sanjay Swarup	18,082	12,862
	1,285,969	891,033

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As of September 18, 2026, there were 275,912,469 issued and outstanding common shares, 95,719,630 warrants outstanding with exercise prices ranging from \$0.20 to \$0.32 per share and 22,120,000 share options outstanding with exercise prices ranging from \$0.10 to \$0.31 per share.